

CBO Meeting #3 - April 1, 2021

AGENDA

Neighborhood Advisory Council (NAC) Introductions

Economic Benefit and Tax Incentives for Project – DEGC

NAC Q & A

Michigan and Church Street Project Presentation

NAC Q & A

General Q & A

CBO PROCESS - MEETING SCHEDULE

*Please note that this schedule may change. Updates will be provided through email list and at www.detroitmi.gov/michigan-church

| MICHIGAN & CHURCH STREET PROJECT CBO SCHEDULE | | | | | | | | | | |
|---|------------|--------|--------|-------|------------|--------|--------|--------|----------|---------------|
| | March 2021 | | | | April 2021 | | | | May 2021 | |
| Meetings | WK 1 | WK 2 | WK 3 | WK 4 | WK 5 | WK 6 | WK 7 | WK 8 | WK 9 | WK 10 |
| Meeting 1 - Introduction to CBO | 11-Mar | | | | | | | | | |
| Meeting 2 - NAC Selection (2 members selected by the public) | | 18-Mar | | | | | | | | |
| Bye Week - City Selection Week + NAC Orientation | | | No Mtg | | | | | | | |
| Meeting 3 - Developer Project Presentation to NAC | | | | 1-Apr | | | | | | |
| Bye Week - NAC Drafts Project Impacts & Community Benefits | | | | | No Mtg | | | | | |
| Meeting 4 - NAC Presents Project Impacts & Community Benefits | | | | | | 15-Apr | | | | |
| Bye Week - NAC Finalizes Project Impacts & Community Benefits | | | | | | | No Mtg | | | |
| Meeting 5 - Developer Presents Responses to Community Benefits | | | | | | | | 29-Apr | | |
| Bye Week - NAC Prepares Letter of Consensus | | | | | | | | | No Mtg | |
| Meeting 6 - Cont. Developer / NAC Discsussion (if required) | | | | | | | | | | 13-May |

THROUGHOUT THE PROCESS

THE CBO
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UPDATED
REGULARLY
WITH PUBLIC
MEETING TIMES,
DATES, &
PRESENTATIONS
+ THE SIGNED
COMMUNITY
BENEFITS
PROVISION

WWW.DETROITMI.GOV/MICHIGAN-CHURCH



YOU CAN ALSO <u>SUBSCRIBE TO EMAIL UPDATES</u> ON THE WEBSITE

NEIGHBORHOOD ADVISORY COUNCIL (NAC)

NEIGHBORHOOD ADVISORY COUNCIL (NAC) SELECTION - 9 MEMBERS

APPOINTED BY COMMUNITY **APPOINTED PLANNING & SELECTIONS BY COUNCIL DEVELOPMENT MEMBERS** İİİİ

NAC - ROLES & RESPONSIBLITIES

ELIGIBILITY

- Resident of the impact area
- At least 18 years of age

REQUIREMENTS

- Attend all scheduled CBO meetings.
- Develop NAC impact list.
- Review Community Benefits Report written by the Planning and Development.
- Develop a letter of consensus of the proposed Community Benefits.
- Compliance: Review biannual compliance report to monitor progress and status of project.
- Compliance: Attend annual meeting to discuss the status of the project.

RESPONSIBILITIES

- You cannot use this position for personal gain.
- You are agreeing to represent your fellow residents.
- You are agreeing to provide feedback for the community.
- You are agreeing to work together with fellow NAC members to make official recommendations to mitigate any negative impacts of the project.
- You are advising the City of Detroit and City Council on how best to mitigate impacts.

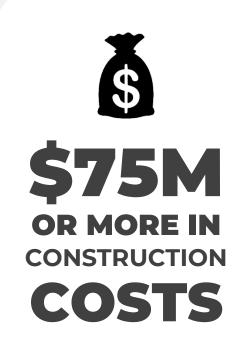
NEIGHBORHOOD ADVISORY COUNCIL (NAC)

- Debra Walker Elected by Impact Area Residents
- Hilliard Hampton III Elected by Impact Area Residents
- Taurean Thomas Appointed by Council President Brenda Jones
- Brandon Lockhart Appointed by Council Member Janeé Ayers
- Dorothy Bennick Appointed by Council Member Raquel Castañeda-López
- David Esparza Appointed by Planning & Development
- Brian Moore Appointed by Planning & Development
- Maggie Shannon Appointed by Planning & Development
- Bob Roberts Appointed by Planning & Development
- **Kevin Pines** Alternate

MICHIGAN & CHURCH ST PROJECT ECONOMIC BENEFIT AND TAX INCENTIVES FOR- DEGC

CBO TRIGGERS

The Community Benefits Ordinance Tier 1 requirements applies to a development project if it has...





OR

SIMORE
IN VALUE OF CITY
PROPERTY SALE
OR TRANSFER FOR
BELOW MARKET
VALUE &
WITHOUT
OPEN BIDDING

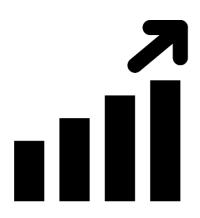


Property Tax Abatements

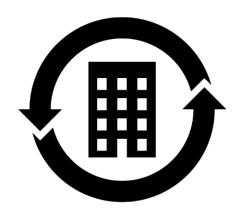
General Eligibility Criteria



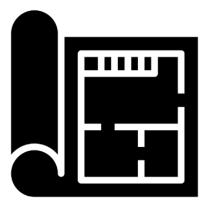
State Laws allow smaller increases in property taxes for a certain amount of time



Business Expansion



Rehabilitation of Blighted or Obsolete Building



New construction of commercial property

Eligibility for Incentives

"But-For" Analysis

Investment would not have occurred in Detroit without incentives

Economic Benefits

- Create and/or retain jobs for Detroiters
- Provide additional affordable housing units in Corktown

Fiscal Benefits

- Provides increase in tax revenues
- Does not reduce tax revenue for any local jurisdiction (DPS, Library, etc)

Strategic Benefits

- Project is consistent with the city's plans, corridor strategies, or strategic initiatives, including:
 - 1. Increased employment for Detroiters or blight elimination
 - 2. Local opportunities for Detroit-based businesses

DEGC Evaluation of Michigan and Church



Activation of Property with Public Amenities



Job Creation

62 full-time permanent jobs created

300 construction jobs with Local Hire commitments



"But For" Test

High construction and site remediation costs

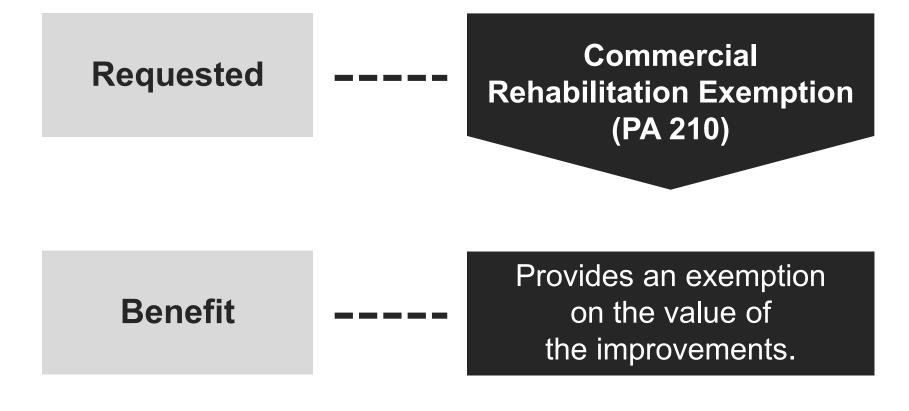
Underwriting demonstrated economic need



Net Benefit

\$11.9M in net fiscal benefit to the City over 30 years

Michigan and Church Tax Abatements



Property owner continues to pay all current property taxes to City, County, schools, library, etc.



Summary of Tax Abatements

| Requested | Estimated A | Time | |
|--------------|-------------|-------------------|--------|
| Abatements | Detroit | All Jurisdictions | Period |
| CRE (PA 210) | \$5.7M | \$10.7M | 10 Yrs |

City of Detroit Net Benefit Breakdown*

| Revenues | |
|------------------------|---------|
| Property Taxes | \$18.3M |
| Income Taxes | \$7.0M |
| Utilities | \$1.9M |
| State Shared Sales Tax | \$.9M |
| Permits, Fees, Misc | \$1.4M |
| Total Revenues | \$29.5M |

| City Services | |
|-------------------------------|---------|
| Services (Fire, Police, Etc.) | \$1.2M |
| Utilities | \$1.6M |
| Tax Incentives | |
| Tax Abatement | \$5.7M |
| Brownfield TIF | \$9.2M |
| Total Offset | \$17.6M |



\$11.9M

Brownfield Act



In 1996,
Act 381 of the State of
Michigan allowed a
"Qualified Local
Governmental Unit" to
establish a Brownfield
Redevelopment Authority
(BRA)



Detroit is a

Qualified Local

Governmental Unit



In 1998
The Detroit Brownfield
Redevelopment
Authority (DBRA) was
established

Eligibility for Brownfield



Facility

A property formally recognized as contaminated per the Natural Resources & Environmental Protection Act (NREPA), Michigan PA 451 of 1994



Historic Resource

A property located in a City, State and/or Federal Historic District



Functionally Obsolete / Blighted

Must also be accompanied by written confirmation from City Assessor

Public nuisance, utilities removed/destroyed, tax reverted, buried subsurface demolition material

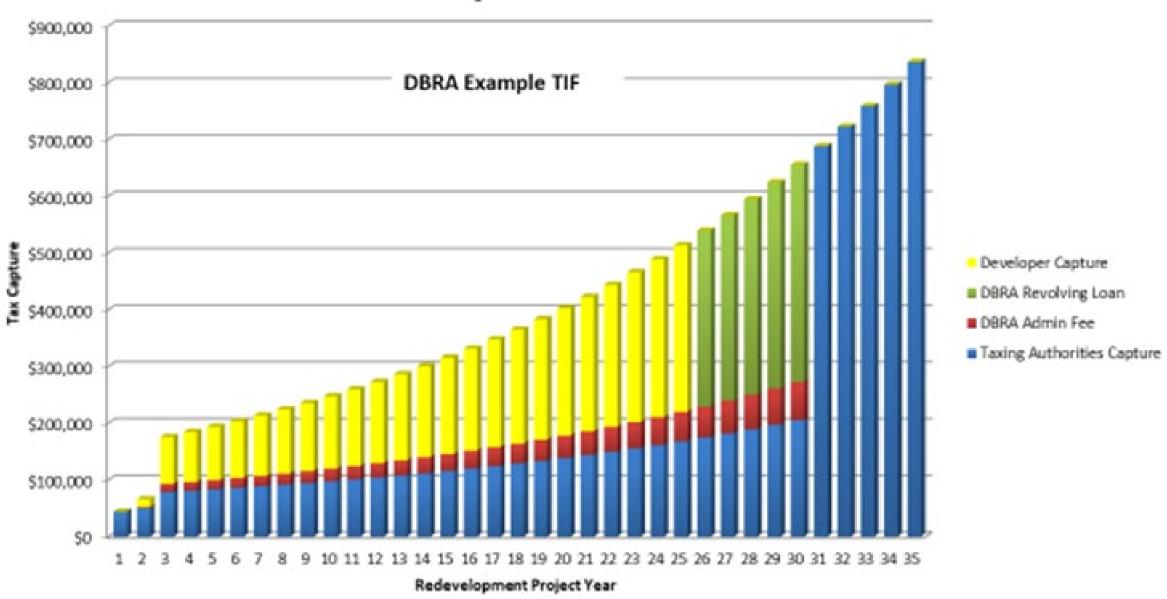


Adjacency

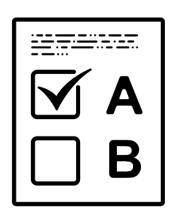
Parcels directly adjacent to an eligible property

Tax Increment Financing – How It Works

Example TIF Chart



Eligible Environmental Brownfield Costs



Environmental Testing & Reporting



Environmental Insurance



Removal & Remediation of Contamination

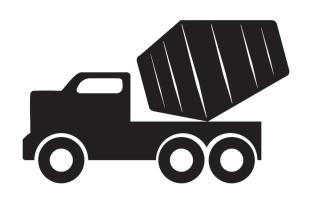
Eligible Non- Environmental Brownfield



Costs







DemolitionInterior, Exterior & Site

Site Preparation

Staking for eligible costs,
clearing & grubbing,
temporary construction
access & roads, temporary
traffic control, temporary
erosion control, temporary
site control – fencing,
lighting & signs

Lead, Asbestos, and Mold Abatement

Public Infrastructure Improvements

bike paths, curb & gutter,
landscaping, lighting, parks,
roads, public rail lines, marinas,
sidewalks, sanitary main,
signage, storm sewer, water
main

Summary of Brownfield TIF for Corktown Apartments

| DESCRIPTION OF ELIGIBLE ACTIVITIES | ELIGIBLE EXPENSES | ESTIMATED CAPTURE |
|---|----------------------|-------------------|
| 1. Environmental Due Diligence | \$25,000.00 | \$25,000.00 |
| 2. Environmental Remediation Activities | \$1,837,516.00 | \$1,837,516.00 |
| 3. Demolition | \$250,600.00 | \$250,600.00 |
| 4. Site Preparation | \$2,795,543.00 | \$2,795,543.00 |
| 5. Infrastructure Improvements | \$8,598,009.00 | \$8,598,009.00 |
| 6. Brownfield Plan & Work Plan Preparation | \$30,000.00 | \$30,000.00 |
| 7. Brownfield Plan & Work Plan Implementation | \$20,000.00 | \$20,000.00 |
| 8. Contingency (15%) | \$2,022,250.00 | \$2,022,250.00 |
| 9. Interest | \$6,557,468.00 | \$6,557,468.00 |
| Total Eligible Activities | \$22,136,387.00 | \$22,136,387.00 |
| 10. DBRA Administrative Costs | | \$3,749,045.00 |
| 11. State Brownfield Redevelopment Fund | | \$1,310,380.00 |
| 12. Local Brownfield Revolving Fund | | \$1,131,872.00 |
| Total Estimated Cost to be Funded Through TIF | | \$28,327,684.00 |

Timeline

CBO (In process & ongoing)

Public Hearings for PA 210/Brownfield:

June/July 2021 – PA 210 Certificate hearing Beginning June 2021: Brownfield hearings

Michigan Strategic Fund Hearing for Brownfield: 3rd Quarter 2021

Contact

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313.294.5826

Cora Capler

Brownfield Redevelopment Associate – DBRA

ccapler@degc.org

313.294.5827



Corktown Sites 1&2

TIER 1 CBO MEETING April 1, 2021















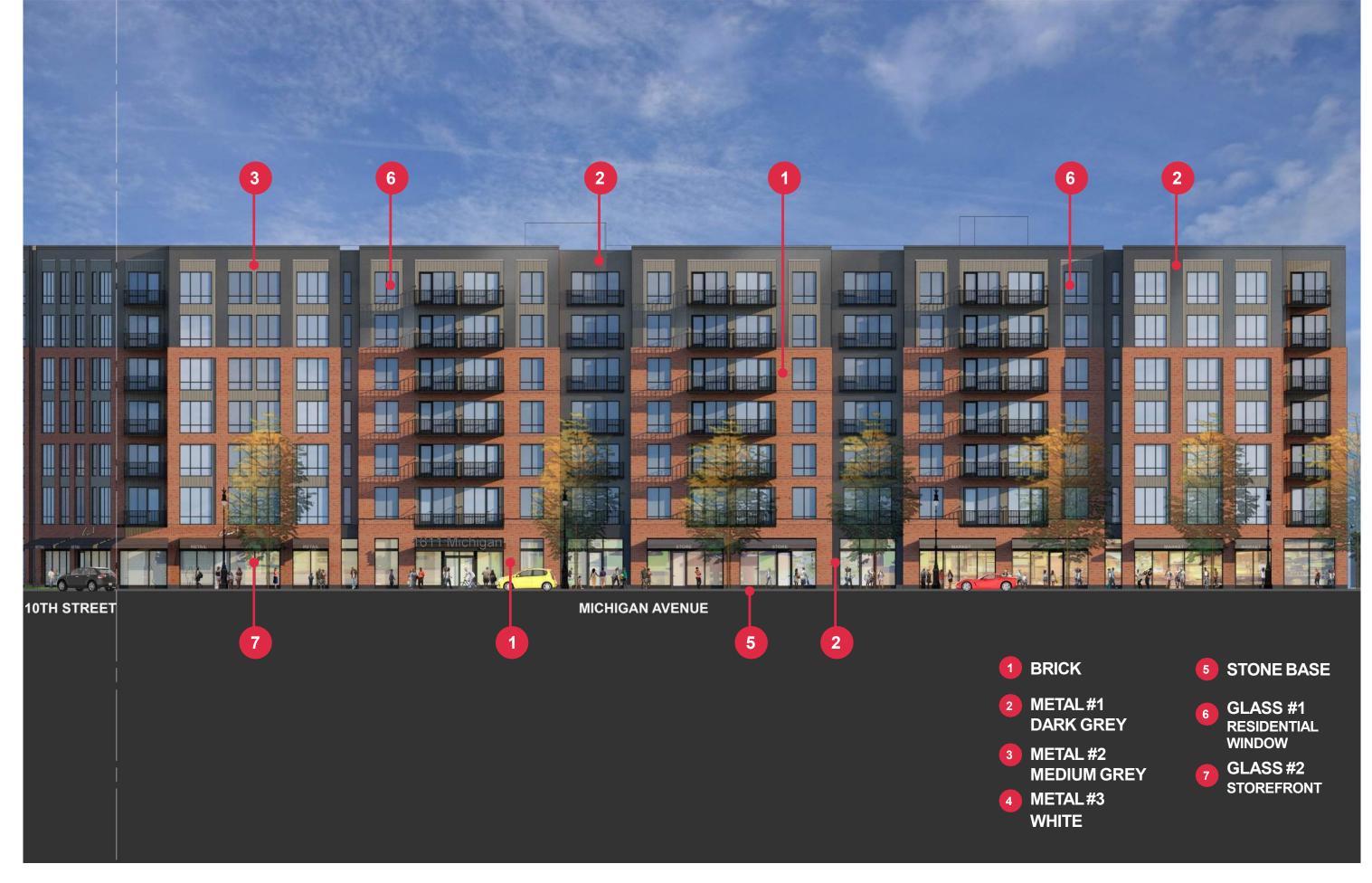






SITE 1 APARTMENTS: MICHIGAN AVE VIEW

CORKTOWN > DETROIT, MICHIGAN > SITES 1&2



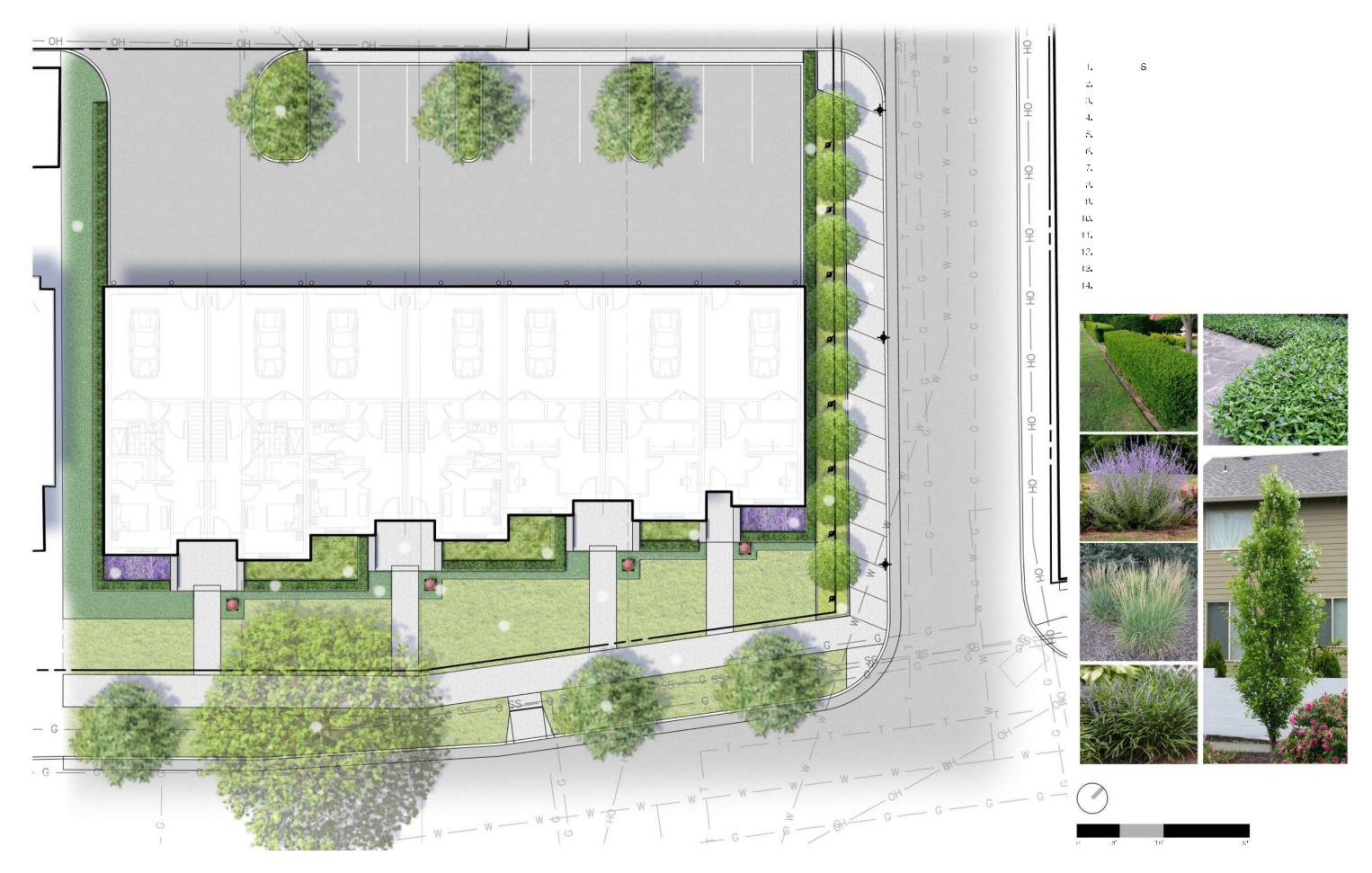


SITE 1 APARTMENTS: 10TH STREET ELEVATION



SITE 1 TOWNHOMES: VIEW FROM GARAGE

CORKTOWN > DETROIT, MICHIGAN > SITES 1&2



SITE 1 TOWNHOMES: LANDSCAPE PLAN



SITE 1 TOWNHOMES: VIEW FROM CHURCH STREET

CORKTOWN > DETROIT, MICHIGAN > SITES 1&2



SITE 2 PARKING GARAGE: CHURCH STREET ELEVATION

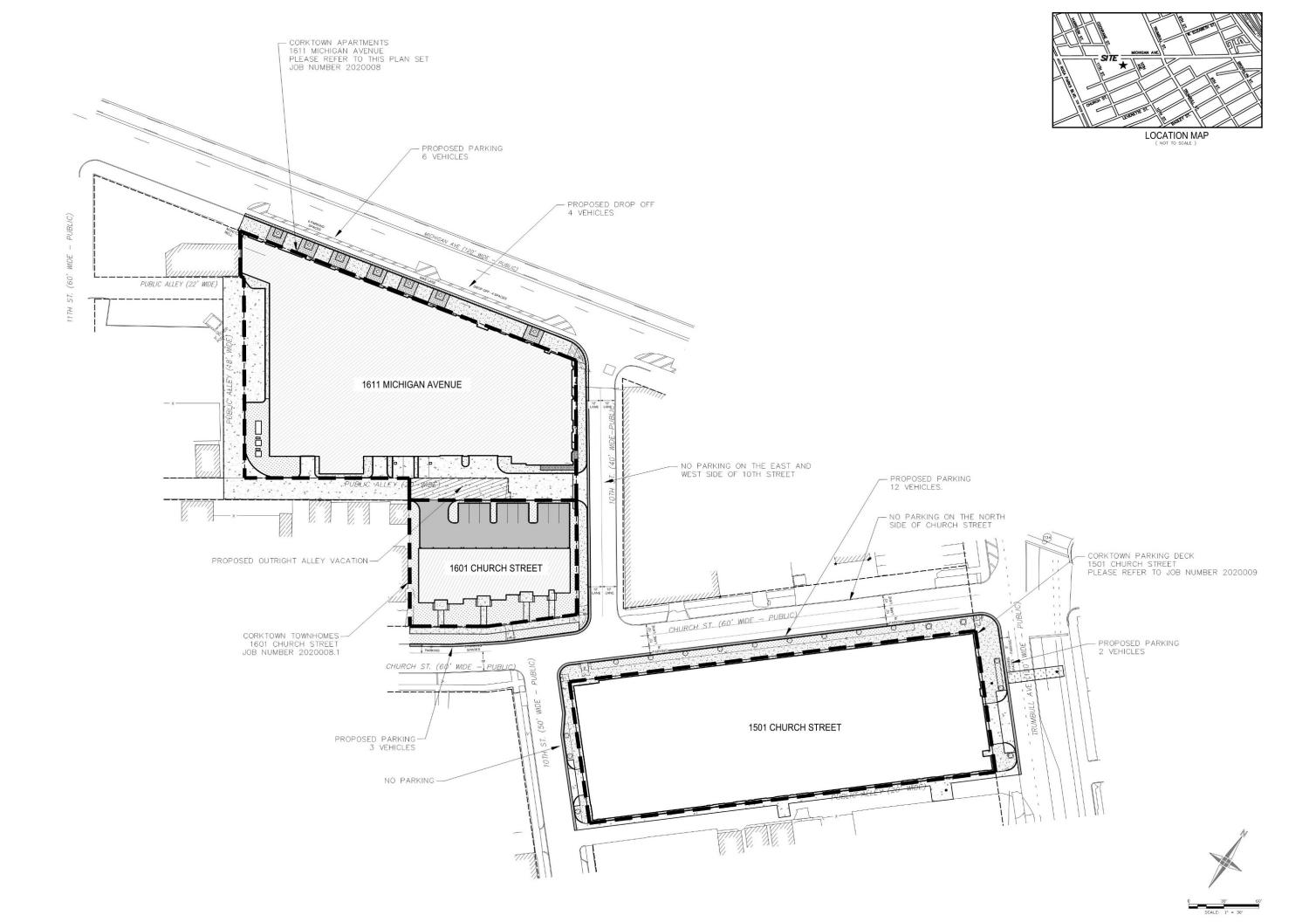


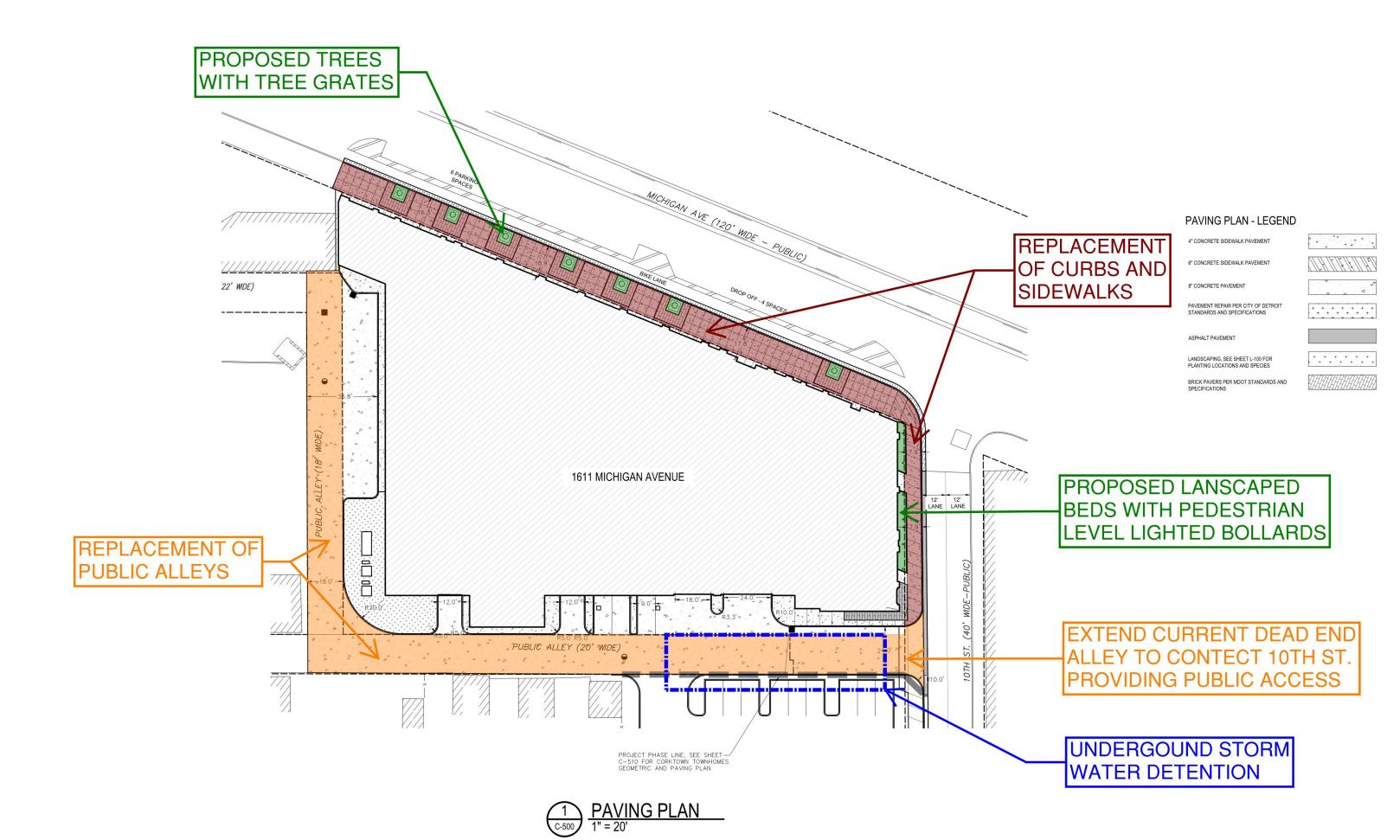
SITE 2 PARKING GARAGE: TRUMBULL AVE ELEVATION

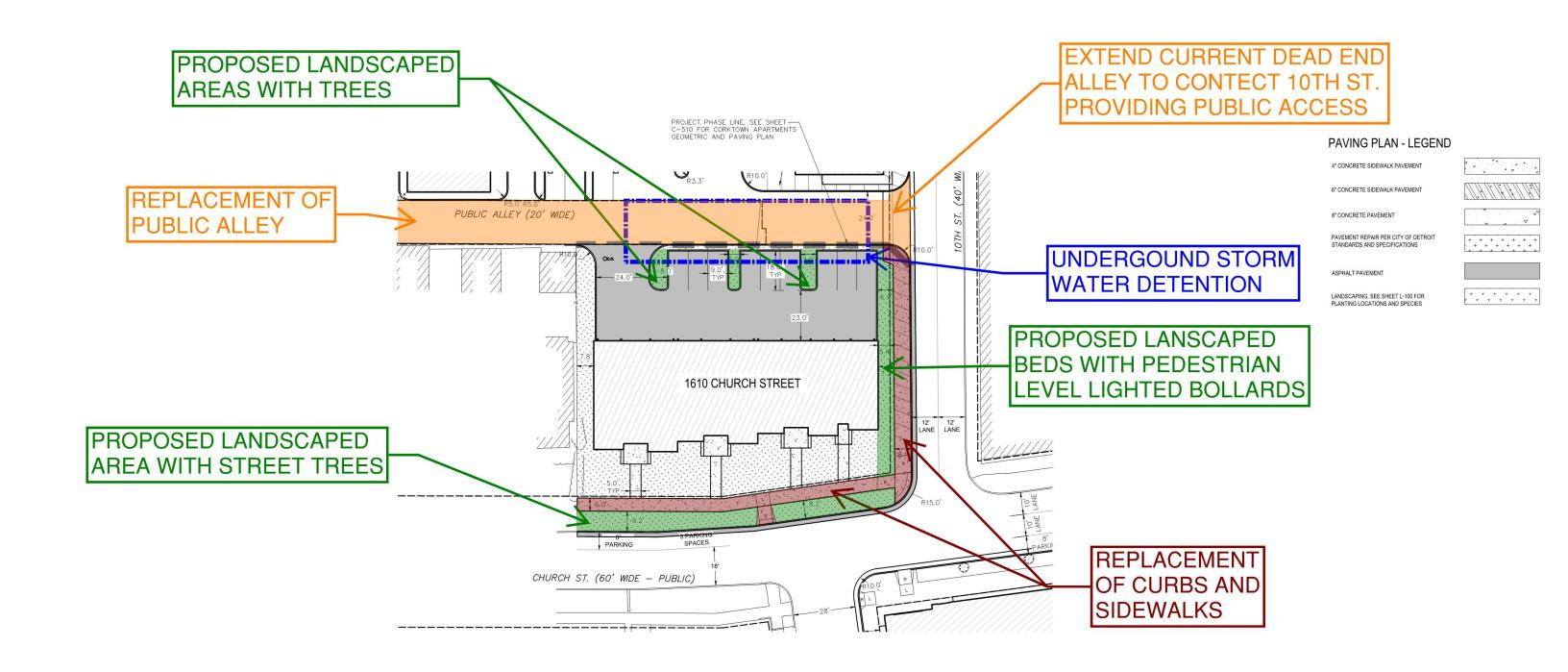


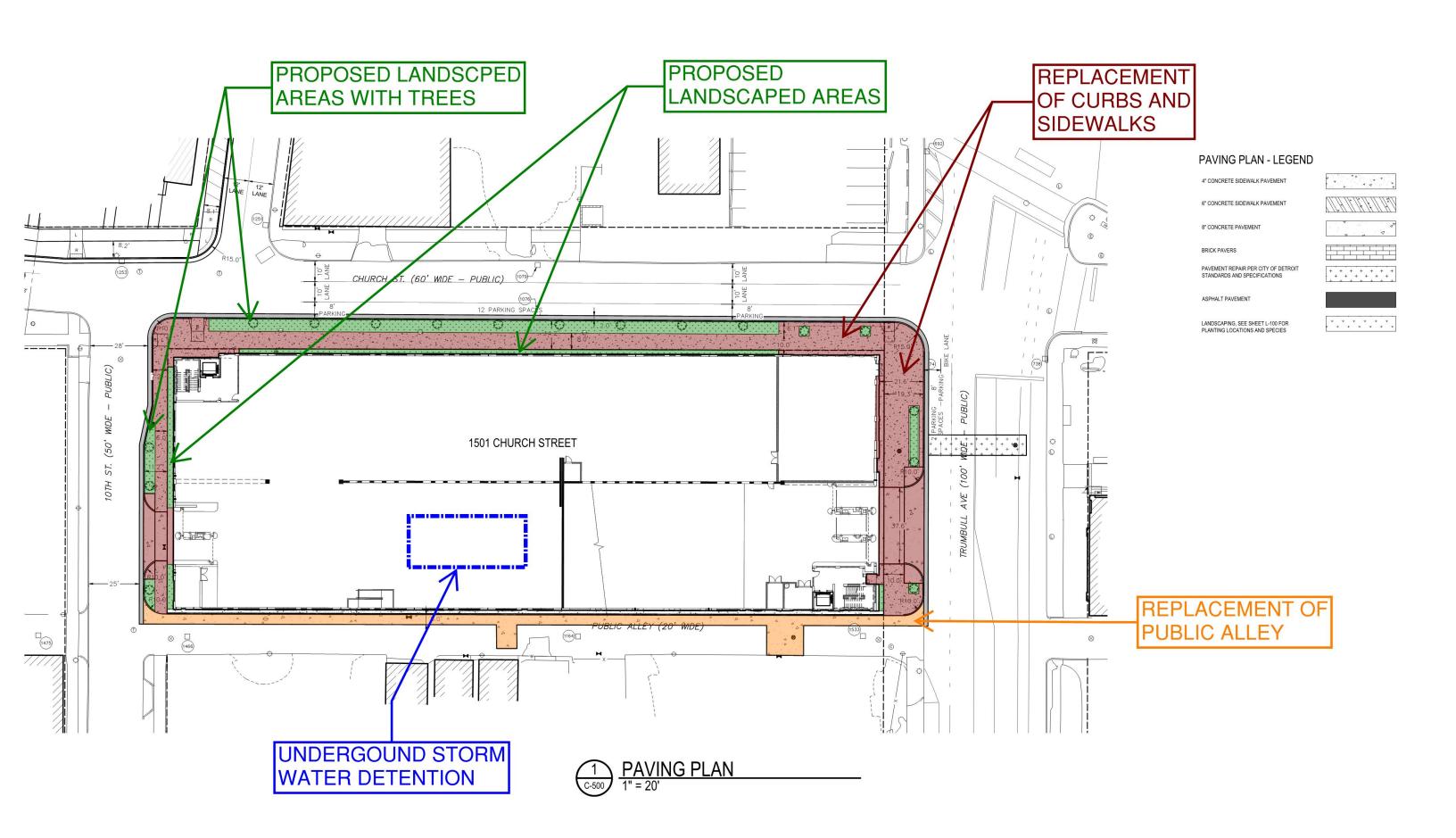
SITE 2 PARKING GARAGE: VIEW FROM MICHIGAN AVE

CORKTOWN > DETROIT, MICHIGAN > SITES 1&2









LHR15T111A11 NORCON

CHRISTMAN/NORCON PARTNERSHIP

- Combining Both Firm's Collective Experience with Christman's 100-Year History in the City of Detroit.
- Christman was founded 126 years ago and has worked in the City of Detroit since 1911.
- In 1927 Christman began work on the Fisher Building and the Masonic Temple.
- Christman is currently renovating the Michigan Central Train Station in Corktown.
- Norcon is Chicago-based and is consistently sought out to take on challenging and architecturally-significant projects.
- The majority of Norcon's work is on tight urban sites.
- Norcon has extensive apartment building experience and has worked with this ownership team on several projects.
- Christman and Norcon are like-minded, high-performing, transparent companies.

EHRISTMAN NORCON





EXPERIENCE WITH URBAN SITES









EHRISTMAN NORCON

RESIDENT EXPERIENCE AND ENGAGEMENT

- PROJECT TEAM WILL BE ON SITE AND AVAIALABLE **DURING CONSTRUCTION**
- A HOTLINE WILL BE ESTABLISHED DIRECT TO THE **PROJECT TEAM**
- REGULAR UPDATES WILL BE DISTRIBUTED VIA EMAIL TO THE COMMUNITY

EHR15TMAN NORCON





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DETROIT TRADESPEOPLE AND CITY-BASED COMPANIES

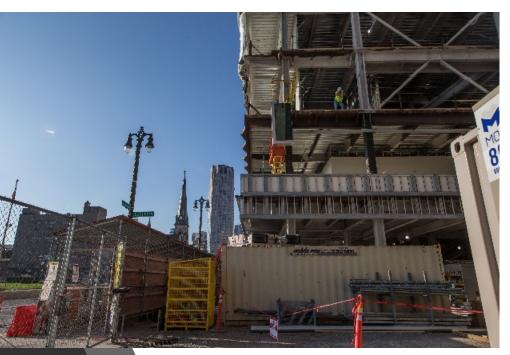
- Goals for employment of Detroit residents have been established and are in accordance with Executive Order requirements
- Strategies to maximize participation of Detroit-based subcontractors are being deployed
- Outreach is being developed to maximize Minority and Women-Owned Business participation



CONSTRUCTION IMPACT MITIGATION

- THE SITE WILL BE FENCED AND SECURED
- WHERE POSSIBLE, THE FENCE WILL BE DRAWN IN AFTER WORK HOURS, TO MAXIMIZE ACCESS ON THE STREET
- SECURITY CAMERAS AND LIGHTS WILL BE STRATEGICALLY POSITIONED
- STREETS WILL BE CLEANED REGULARLY
- THE PROJECT SITE AND ALL STAGED MATERIALS WILL BE KEPT NEAT AND ORDERLY
- NETTING WILL BE USED TO MITIGATE DUST
- NOISE-PRODUCING WORK WILL BEGIN AFTER 8:00 AM

CHRISTMAN NORCON



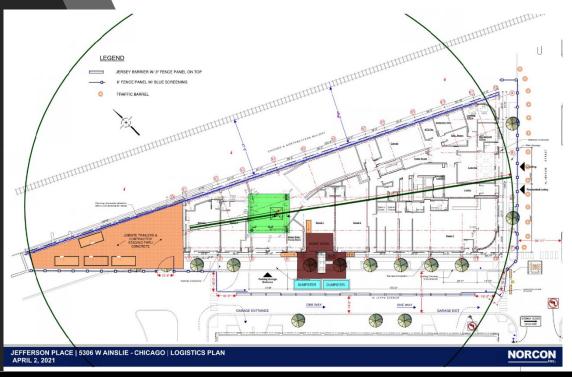


LOGISTICS AND TRAFFIC FLOW

- A THOROUGH LOGISTICS PLAN IS BEING PREPARED AND WILL BE UPDATED AND REFINED DURING THE PROJECT, AS NEEDS DEVELOP
- ADJACENT LOTS HAVE BEEN SECURED FOR CONSTRUCTION WORKER PARKING AND MATERIAL STAGING TO MINIMIZE IMPACT ON RESIDENT PARKING
- TRAFFIC LANE, PARKING LANE, AND SIDEWALK CLOSURES WILL BE NECESSARY, BUT SAFE PASSAGES WILL BE PROVIDED AT ALL TIMES

EHRISTIMAN NORCON





YOUR PARTNER IN CORKTOWN'S REVITALIZATION

EHRISTMAN NORCON



Program Summary & FAQ

Site 1 Apartments

- 1611 Michigan Avenue
- 188 Apartment Units
- 490 sf 1,188 sf Unit Sizes
 - **34%** Studio
 - 50% One Bedroom
 - 16% Two Bedroom
- 30 Parking Spaces
- 7- Stories/ 82'-6" High
- 9,385 sf Retail

Site 1 Townhomes

- 7 Townhomes
- 2&3 Bedrooms
- 2,415 sf 2,942 sf
- 43'-6" Rear Setback
- 20' Front Setback
- 3 stories/35' high
- 7 Private Indoor Parking Spaces
- 9 Outdoor Parking spaces

Site 2 Parking Garage

- 1501 Church St
- **35'** High
- 3,000 SF of Retail
- 401 Garage Spaces
- 2 Elevator Cores and Stair Wells











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NEXT CBO MEETING

MEETING 4: THURSDAY April 15th, 6:00pm - 8:00pm

MEETING REGISTRATION: https://bit.ly/Michigan-ChurchCBO

DIAL IN: 1-312-626-6799

MEETING ID: 853 3838 3620

MEETING LINK AND DIAL IN INFOMATION ARE THE SAME FOR ALL MEETINGS – IF YOU REGISTERED FOR TONIGHT, YOU HAVE THE LINK



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